



**Auditor of Public Accounts
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FOR IMMEDIATE RELEASE

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Edelen Releases Audit of McCreary County Fiscal Court

FRANKFORT, Ky. – State Auditor Adam Edelen has released the audit of the financial statements of the McCreary County Fiscal Court for the fiscal year ended June 30, 2011. State law requires annual audits of county fiscal courts.

The audit found that the county's financial statements, in all material respects, fairly present the county's assets, liabilities, and net assets arising from cash transactions and revenues received and expenditures paid in conformity with the modified cash basis of accounting.

As part of the audit process, the auditor must comment on non-compliance with laws, regulations, contracts and grants. The auditor must also comment on material weaknesses involving the internal control over financial operations and reporting.

The audit contains 26 comments that are listed below. To review the full comments and responses, please see the full report on the auditor's website.

Comments:

- The County Treasurer should maintain accurate financial records.
- The Fiscal Court should maintain accurate capital asset records.
- The Fiscal Court should obtain and award all bids in accordance with KRS 424.260 and the county's administrative code. The Fiscal Court should improve purchase and procurement procedures.
- The Fiscal Court should properly reconcile the payroll revolving account.
- The Fiscal Court should improve internal control procedures over receipts and disbursements by maintaining accurate records and by segregating duties over all accounting functions.
- The Fiscal Court should improve internal controls over payroll.

- The Fiscal Court expended \$19,300 in Title III funds for improper uses and did not document the use of an additional \$22,133 in Title III funds.
- The McCreary County Park Board should improve internal control procedures over receipts and disbursements by maintaining all required records and by segregating duties over all accounting functions.
- The McCreary County Park Board should improve purchase and procurement procedures.
- The Solid Waste Board should improve internal control procedures over receipts and disbursements by maintaining all required records and by segregating duties over all accounting functions.
- The Solid Waste Board should improve purchase and procurement procedures.
- The Jailer should maintain accurate records for the Jail Commissary Fund.
- Funds totaling \$18,152 were not deposited to the Jail Commissary Fund and deposits were not always made intact or in a timely manner.
- Receipts were not issued for all jail inmate moneys received and some receipts were altered after they were issued.
- The Jailer lacks adequate internal controls over accounting functions of the Jail Commissary Fund and lacks an adequate segregation of duties.
- Proper documentation should be maintained for all Jail Commissary Fund expenditures and invoices should be paid within 30 working days.
- The Jailer should transfer fees due to the Fiscal Court in a timely manner.
- Sales tax reports were not prepared correctly by jail and were not always submitted in a timely manner.
- The McCreary County Airport Board lacks an adequate segregation of duties over all accounting functions.
- The McCreary County Airport Board should improve purchase and procurement procedures.
- The Stearns Historical Area Development Authority (SHADA) lacked an adequate segregation of duties over all accounting functions.
- The McCreary County Tourist Commission should improve internal control procedures over receipts and disbursements by maintaining all required records and by segregating duties over all accounting functions.
- The McCreary County Tourist Commission should report all wages to the Fiscal Court.
- The McCreary County Tourist Commission should improve purchase and procurement procedures.
- The County Treasurer should sign all warrants for payment of funds from the county treasury.

The audit report can be found on the [auditor's website](#).

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The Auditor of Public Accounts ensures that public resources are protected, accurately valued, properly accounted for, and effectively employed to raise the quality of life of Kentuckians.

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